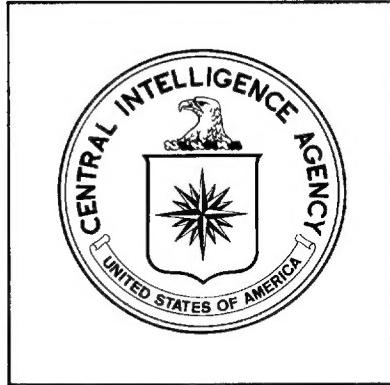


Secret

HR



STAFF NOTES:

Western Europe Canada International Organizations

Secret

123

No. 0211-75
June 20, 1975

SECRET

WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

CONTENTS

Italian Communist Party Weighs Next Steps Following Election Gains	1
Finnish Caretaker Government Begins to Tackle Economic Problems	4
Lisbon Rules Out Independence for Azores	5
Madrid Reacts Sharply to Pretender Don Juan's Dynastic Claims	7
Dutch Deficit Doubles	9

ANNEX

Student Unrest in Turkey	10
------------------------------------	----

June 20, 1975

-i-

SECRET

SECRET

25X1A

Italian Communist Party Weighs Next Steps
Following Election Gains

Italian Communist Party chief Enrico Berlinguer has instructed regional Communist leaders to concentrate on local affairs and avoid public talk about the national implications of the recent Communist election success.

Communist leaders are concerned because the rank and file, especially the young members in cities where the Communists have become the largest party, may want to convert the party's election gains into national political moves. Berlinguer is worried that pressure could build up to accelerate his "historic compromise" strategy. He wants to keep firm control of the situation and avoid being pushed into hasty moves.

Berlinguer will be cautious, stressing, as he did during the campaign, that the party's main objective for now is to provide "good government" at the regional and local levels. Implicit in what he says, however, is the idea that Communist participation in the national government is the only way of ensuring similar progress at that level.

Despite the fact that the Communists are playing down the national angle, they could probably win as great a percentage in a national election as they did in the regional and local balloting. Preliminary analysis suggests that their gains came mainly from:

--Young voters casting their first ballots.

--Voters who formerly supported left-wing splinter groups.

June 20, 1975

-1-

SECRET

--Former supporters of other parties, including the Christian Democrats.

The first two sources of Communist votes probably account for the largest part of their gains. These voters are unlikely to desert them very soon.

Although the cross-over voters may be less firmly in the Communist camp, their switch probably reflects long-maturing discontent rather than temporary anger. They obviously did not come easily to the decision to vote Communist, and they are not likely to reverse themselves suddenly.

Since World War II, the Communists have never lost in substantial numbers the voters they had won over.

The relative performances of the Communists and the governing parties will, of course, influence the outcome of the next national election. The center-left coalition, however, will have to make impressive progress before the election in 1977, or the Communists will continue to win.

The Communists have all of the other parties on the defensive. Even the Socialists, who registered moderate gains and almost certainly will be joining the Communists in more local governments, are worried about being overshadowed in these alliances.

The prospect of an increase in such local alliances is one of the reasons behind the haste of Christian Democratic leader Fanfani in proposing yesterday that the four-party center-left coalition be revived immediately. He is trying to get the Socialists involved in negotiations before they have time to put together many local governments with the Communists.

June 20, 1975

~~SECRET~~

Approved For Release 2002/07/30 : CIA-RDP79T00865A001200140001-4

Unless the Christian Democrats offer powerful incentives, the Socialists are likely to resist for the time being. In addition to being divided over post-election strategy, the Socialists do not want their option of joining the Communists at the local level to become part of the bargaining for a new national government.

25X1A

June 20, 1975

-3-

~~SECRET~~

Approved For Release 2002/07/30 : CIA-RDP79T00865A001200140001-4

25X1A



Finnish Caretaker Government Begins to
Tackle Economic Problems

The new caretaker government in Finland has begun to tackle the country's deteriorating economic situation.

The government's first effort was an agreement with representatives of municipalities and townships to hold down public expenditures and restrict the number of employees. The central government agreed to restrain the increase in expenditures to no more than 3.5 percent this year and 2 percent next year. Increases in the total number of employees will be held to 1,350. Municipalities and townships will keep growth of expenditures down to 4 percent and personnel increases to 2 percent. The agreement also covered a plan to postpone several central government and municipal projects.

The agreement is part of an overall austerity plan introduced by the Sorsa government before it resigned to help reduce Finland's balance of payments deficit, which is running at double the 1974 rate.



25X1A

June 20, 1975

-4-

SECRET

25X1A

Lisbon Rules Out Independence for Azores

General Magalhaes, the Portuguese military governor in the Azores, has again firmly ruled out independence for the Azores and has implied that Lisbon is willing to make administrative and economic concessions in order to satisfy key demands of the disaffected Azoreans.

Speaking at a well-organized anti-independence demonstration in Ponta Delgada on June 16, General Magalhaes denounced Azorean separatists as wealthy landowners seeking to perpetuate their privileged status. He said that those Azoreans who refuse to take part in creating a more just society must be cast aside.

The military governor once again acknowledged that the Azores have serious problems and conceded that administrative autonomy is an urgent requirement, but he ruled out independence for the island territory. He also said that Portugal's Armed Forces Revolutionary Council has already begun work on solving the Azores' economic problems.

Earlier it was thought that General Magalhaes' position might be in danger because of his pro-Azorean sympathies. So far, however, there have been no reports of purges of pro-Azorean military officers and Magalhaes is reported to have been given a vote of confidence by Lisbon.

The US consulate in the Azores has reported that 9 of the 36 detained separatist leaders were released on June 17. There has been no indication when the others will be freed.

June 19, 1975

-5-

SECRET

25X1C

The Liberation Front apparently has set no timetable for its independence declaration but has initiated work on a new constitution and is planning tactics for seizing power. Actual implementation of the Front's plan, however, seems to depend for the most part on the availability of funds and military supplies from abroad.

25X1A

June 19, 1975

-6-

SECRET

~~SECRET~~

25X1A

Madrid Reacts Sharply to Pretender Don Juan's
Dynastic Claims

The Spanish government has banned Don Juan, titular head of the Spanish royal family, from returning to Spain, and the Spanish media have sharply criticized his speech on his name day last Saturday in Portugal to a group of Spanish oppositionists.

In his speech, Don Juan in effect reasserted his claim to the throne, stated his readiness to respond to a call to lead a "democratic Spain," and objected to Franco's "absolute personal power." But he stopped short of calling for action to restore his rights, denying connection with "any conspiracy," and adding he could not take the initiative to restore the "historical monarch" which he embodies. He recalled that neither he nor the Spanish people had been consulted about the succession, a reference to Franco's bypassing him to designate his son Juan Carlos as the future king.

Don Juan's speech was more militant and critical of Franco than his remarks on his name day a year ago. [redacted]

[redacted] Don Juan's statement was stronger this year because his advisors had warned him that his family's recent reception at Mallorca with military honors had encouraged an impression of his gradual acceptance of the Franco system. Don Juan has lived in self-imposed exile in Estoril for a number of years, but previous to the newly announced ban, had been free to travel to Spain.

25X1X

June 20, 1975

-7-

~~SECRET~~

The government's sharp reaction indicates hypersensitivity to any questioning of Franco's succession plans or high-level criticism of the Caudillo rather than any real possibility that Don Juan could upset the succession. As the newspaper Arriba pointed out, however, there is only a narrow political base for the monarchy in Spain, and those favoring orderly change are concerned that public dynastic squabbling might further erode that base.

25X1A

June 20, 1975

-8-

SECRET

SECRET

25X1A



Dutch Deficit Doubles

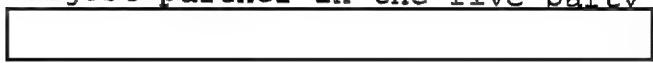
The Dutch government's deficit for 1975 is expected to be more than double the amount predicted when the budget was presented to parliament last fall. According to the "spring budget message" published last week, the deficit will amount to more than \$4 billion this year.

Much of the deficit was caused by the recent decline in the growth of the national income and the related drop in tax receipts. The US Embassy in the Hague believes little, if any, real economic growth is anticipated for at least a year.

The situation casts doubt on the den Uyl government's ability to continue financing the many social programs that are now commonplace to Dutch society. Economic observers are beginning to question how the government proposes to manage the problem if, as seems likely, the deficit increases next year.

The government still has two years to go before the next election, but has experienced some difficulties over its foreign policy from leftist critics in parliament. A domestic crisis would add to these strains, particularly within the Labor Party, the largest partner in the five-party coalition.

25X1A



June 20, 1975

-9-

SECRET

SECRET



25X1A

ANNEX

Student Unrest in Turkey

Student unrest, a hallmark of Turkish higher education during the late 60s and early 70s, is again a serious problem. The current violence does not compare, either in scope or intensity, with that of 1971, but it is becoming a significant political issue between the Demirel government and its opposition.

Recent clashes have usually fallen into two categories--students versus administrators and leftist students versus rightists. The violence between these groups has been motivated by a variety of factors, most notably:

- Legitimate student academic grievances stemming from inflated costs and outmoded methods of education.
- Competition between leftist radicals and rightist "commandos" for influence and leadership on Turkish campuses.
- General student opposition to the prolongation of martial law in four provinces.

Anti-Americanism has not been an element in the student protests. As US-Turkish relations become the topic of political debate, however, it is likely to be interjected into the extremist jargon.

June 20, 1975

SECRET

SECRET

Exemplary of campus tensions rooted in academic grievances is the current situation at the Middle Eastern Technical University (METU) in Ankara. Students at METU began a boycott on May 15, reportedly demanding that the university administration:

- Act on previous demands for the expansion of research facilities, administrative and educational "reforms," and assurances of employment after graduation;
- Extend the school term until the end of July to make up for class time lost to boycotts;
- Promise not to use disciplinary measures for political purposes;
- Reduce the number of Jandarma troops stationed on the campus.

METU students have temporarily halted their boycott to allow university administrators to formulate a response. The US embassy reports that some 300 METU faculty members have signed a petition critical of Rector Tarik Somer's initial refusal to agree to an extension of the school term.

The student boycott at the Istanbul Technical University in late April was more violent. Leftist students attempted to impose a boycott to protest the continuation of martial law which they allege has been used to violate democratic liberties. They also called for an immediate administrative reorganization to end the "undemocratic" system of education. Rightist students argued that the boycott was superfluous and was really directed against the government of Prime Minister Suleyman Demirel. The two extremist groups engaged in a shouting match

June 20, 1975

SECRET

which quickly degenerated into violence. One person was killed, 300 wounded, and 200 arrested before the situation was brought under control by police.

Similar outbreaks, on a slightly smaller scale, have been reported from the Black Sea Technical Institute, Ataturk University, Selcuk Training Institute, and the Faculty of Chemistry at Erzurum. Student violence has not been confined to college campuses. Last month in Malatya, a fifth grade student distributing leftist propaganda was shot and killed. While in Ankara, a Sports Day rally attended by President Fahri Koruturk ended with an altercation between rival groups of extremist students. Over 100 were taken into custody.

Campus disturbances are expected to abate as students begin to prepare for final exams in late June and July. Given the intensity of recent unrest, however, student demonstrations are likely to resume next fall. At that time student political sensitivities will be heightened by the partial parliamentary elections scheduled for October. Attention will continue to be focused on Demirel's handling of the student problem. Demirel's lack of firmness during his previous administration helped lead to his ouster by the military in 1971.

Demirel has resolved to take "every measure" necessary to deal effectively with student violence. He has taken the political offensive, accusing Republican People's Party (RPP) leader, Bulent Ecevit, of helping to prolong violence by opposing "the administrative and legislative measures which will strengthen the government." To insure public support for his hardline approach, Demirel must contain both rightist and leftist elements. This will involve clamping down on the right-wing student "commandos" who are believed to be under the direction of Alpaslan Turkes, one of Demirel's coalition partners.

June 20, 1975

SECRET

25X1

As for Ecevit, [redacted]
[redacted] he has called for restraint on the part
of his party's youth. Ecevit appears to be
emphasizing an anti-violence position while
trying to capitalize on Demirel's ties to
Turkes and the extreme right-wing. Ecevit
would like to saddle the Demirel government
with the responsibility for the young rightist
"commandos."

25X1

The continuing spectacle of university
students taking part in gunfights, boycotts,
and political agitation is no doubt unsettling
to the military leadership. They, too, can be
counted on to pressure Demirel into taking
effective action to bring the student situation
under control, before a self-perpetuating cycle
of violence and arrests cripples Turkey's major
universities. [redacted]

25X1A

June 20, 1975

-13-

SECRET

Secret

Secret